

Whitney Hatch  
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**GTE Service Corporation**

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EX PARTE OR LATE FILED

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APR 18 1997

Federal Communications Commission  
Office of Secretary

April 18, 1997

Mr. William F. Caton  
Secretary  
Federal Communications Commission  
1919 M Street, NW Room 222  
Washington, D.C. 20554

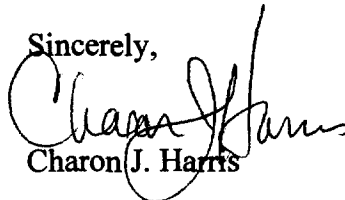
**EX PARTE: Implementation of the Pay Telephone Reclassification and  
Compensation Provisions of the Telecommunications Act of 1996  
(CC Docket No. 96-128)**

Dear Mr. Caton:

Attached is a letter submitted to Regina Keeney, Chief of the Common Carrier Bureau, in the captioned docket. In accordance with Section 1.1206(b)(1) of the Commission's Rules, two copies of this notice are being filed with the Secretary of the FCC.

Please let me know if you have any questions.

Sincerely,



Charon J. Harris

Attachment

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April 18, 1997

Ms. Regina Keeney  
Chief - Common Carrier Bureau  
Federal Communications Commission  
1919 M Street, N.W., Room 500  
Washington, DC 20554

**Re: Implementation of the Pay Telephone Reclassification and  
Compensation Provisions of the Telecommunications Act of 1996  
(CC Docket No. 96-128)**

Dear Ms. Keeney,

GTE Service Corporation ("GTE"), on behalf of its domestic telephone operating companies, submits this letter to certify<sup>1</sup> that it has met all Local Exchange Carrier ("LEC") compliance requirements described in Paragraph 131 of the Commission's *Reconsideration Order* implementing 47 U.S.C. § 276,<sup>2</sup> adopted as part of the Telecommunications Act of 1996.

Paragraph 131 requires a LEC to be able to certify the following: 1) it has an effective Cost Accounting Manual ("CAM") filing; 2) it has an effective interstate Carrier Common Line ("CCL") tariff reflecting a reduction for deregulated payphone costs and reflecting additional multiline Subscriber Line Charge ("SLC") revenue; 3) it has effective intrastate tariffs reflecting the removal of charges that recover the costs of payphones and any intrastate subsidies; 4) it has deregulated and reclassified or transferred the value of payphone Customer Premises Equipment ("CPE") and related costs as required in the *Report & Order*; 5) it has in effect intrastate tariffs for basic payphone services (for "dumb" and "smart" payphones);

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<sup>1</sup> Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, Policies and Rules Concerning Operator Services and Pay Telephone Compensation, CC Docket No. 96-128 and CC Docket No. 91-35, Report and Order, FCC 96-388 (released September 20, 1996), 1996 FCC LEXIS 5261 (the "*Report & Order*"), modified on recon., Order on Reconsideration, FCC 96-439 (released November 8, 1996), 1996 FCC LEXIS 6257 (the "*Reconsideration Order*"), clarified and waiver granted, Order, DA 97-678 (released April 4, 1997), 1997 FCC LEXIS 1798 (Com. Car. Bur.), (the "*Clarification Order*"), waiver granted, Order DA 97-805 (released April 15, 1997), (the "*Order*") (collectively the "*Clarification Orders*").

<sup>2</sup> All statutory section references herein are to 47 U.S.C. unless otherwise specified.

Ms. Regina Keeney  
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and 6) it has in effect intrastate and interstate tariffs for unbundled functionalities associated with those lines.

GTE certifies it has taken all action within its powers to meet all of these LEC compliance requirements, subject to limited waivers of: (1) the Commission's tariffing requirements for unbundled features and functions, and (2) the Commission's requirement that effective intrastate tariffs for payphone services be in compliance with the federal "new services" test. Both waivers were granted in the Common Carrier Bureau's *Clarification Orders*.

Specifically, GTE filed on January 15, 1997 all required revisions to its federal CAM. The CAM is effective in all GTE operating jurisdictions.<sup>3</sup> GTE filed on January 15, 1997 all required interstate tariff modifications and supporting data and has received notification that the tariffs are effective.<sup>4</sup> GTE filed on January 15, 1997 all required intrastate tariff modifications and supporting data (basic payphone service tariffs, subsidy determinations addressing removal of intrastate payphone costs and tariffs to eliminate such subsidies where necessary, and unbundled functionality tariffs) and has received determinations that they are effective in most GTE operating jurisdictions. Further, GTE reclassified the value of its payphone CPE, effective January 1, 1997, and filed on January 15, 1997 requests to detariff and deregulate such CPE in all GTE operating jurisdictions. In certain cases the state involved has explicitly approved or permitted to go into effect the necessary tariff and other changes. This includes Alabama, Alaska, Arizona, Arkansas, California, Florida, Iowa, Kentucky, Minnesota, Missouri, Nebraska, Nevada, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, Texas, Virginia, Washington, and Wisconsin.

In other cases, with regard to basic payphone service, GTE has met all LEC compliance requirements, but the states involved have not taken action to date approving tariff changes or permitting them to go into effect. This includes Hawaii, Idaho, Indiana, Michigan, and New Mexico.

In Oregon and Illinois, with regard to detariffing deregulated payphone CPE, GTE has met all LEC compliance requirements. These two states, however, have not taken action to date approving tariff changes or permitting them to go into effect. Indeed, state commission staff in both states required GTE to withdraw its filings

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<sup>3</sup> In the Matter of Cost Allocation Manual Changes Required by Payphone Deregulation, Order, DA 97-814 (released April 15, 1997).

<sup>4</sup> Implementation of the Commission's Orders Regarding Pay Telephone Reclassification and Compensation, Public Notice, DA 97-806 (released April 15, 1997).

Ms. Regina Keeney

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seeking CPE detariffing. To permit the most critical portions of the federal program to become effective in these two states, GTE acceded to the staff requests. GTE expects the state commissions will address the detariffing issue in near-term proceedings and GTE expects to refile the necessary tariff changes shortly.

GTE has acted in good faith to meet all LEC compliance requirements necessary to qualify for payphone compensation. There is no basis for denying GTE compensation based on factors over which GTE has no control. Under the broad authority of paragraph 132 of the *Reconsideration Order*, the Chief of the Common Carrier Bureau may make any necessary determinations as to whether a LEC has complied with the requirements established by the Commission. By this letter, GTE asserts that it has met those requirements to the extent of its capabilities, and is eligible to receive payphone compensation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Whitney Hatch', with a stylized, flowing script.

Whitney Hatch  
Vice President-Regulatory Affairs

c: Mary Beth Richards  
John Muleta